

# SB2881



## 99TH GENERAL ASSEMBLY

### State of Illinois

2015 and 2016

SB2881

Introduced 2/17/2016, by Sen. Daniel Biss

#### SYNOPSIS AS INTRODUCED:

220 ILCS 5/16-118

Amends the Public Utilities Act. In provisions concerning the purchase of an alternative retail electric suppliers' receivables, including uncollectible receivables by a purchasing electric utility, provides that the purchasing electric utility shall not purchase receivables that are priced higher than the price obtained for consumers through the procurement process set out in the Public Utilities Act.

LRB099 19549 EGJ 43944 b

A BILL FOR

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Public Utilities Act is amended by changing  
5 Section 16-118 as follows:

6 (220 ILCS 5/16-118)

7 Sec. 16-118. Services provided by electric utilities to  
8 alternative retail electric suppliers.

9 (a) It is in the best interest of Illinois energy consumers  
10 to promote fair and open competition in the provision of  
11 electric power and energy and to prevent anticompetitive  
12 practices in the provision of electric power and energy.  
13 Therefore, to the extent an electric utility provides electric  
14 power and energy or delivery services to alternative retail  
15 electric suppliers and such services are not subject to the  
16 jurisdiction of the Federal Energy Regulatory Commission, and  
17 are not competitive services, they shall be provided through  
18 tariffs that are filed with the Commission, pursuant to Article  
19 IX of this Act. Each electric utility shall permit alternative  
20 retail electric suppliers to interconnect facilities to those  
21 owned by the utility provided they meet established standards  
22 for such interconnection, and may provide standby or other  
23 services to alternative retail electric suppliers. The

1 alternative retail electric supplier shall sign a contract  
2 setting forth the prices, terms and conditions for  
3 interconnection with the electric utility and the prices, terms  
4 and conditions for services provided by the electric utility to  
5 the alternative retail electric supplier in connection with the  
6 delivery by the electric utility of electric power and energy  
7 supplied by the alternative retail electric supplier.

8 (b) An electric utility shall file a tariff pursuant to  
9 Article IX of the Act that would allow alternative retail  
10 electric suppliers or electric utilities other than the  
11 electric utility in whose service area retail customers are  
12 located to issue single bills to the retail customers for both  
13 the services provided by such alternative retail electric  
14 supplier or other electric utility and the delivery services  
15 provided by the electric utility to such customers. The tariff  
16 filed pursuant to this subsection shall (i) require partial  
17 payments made by retail customers to be credited first to the  
18 electric utility's tariffed services, (ii) impose commercially  
19 reasonable terms with respect to credit and collection,  
20 including requests for deposits, (iii) retain the electric  
21 utility's right to disconnect the retail customers, if it does  
22 not receive payment for its tariffed services, in the same  
23 manner that it would be permitted to if it had billed for the  
24 services itself, and (iv) require the alternative retail  
25 electric supplier or other electric utility that elects the  
26 billing option provided by this tariff to include on each bill

1 to retail customers an identification of the electric utility  
2 providing the delivery services and a listing of the charges  
3 applicable to such services. The tariff filed pursuant to this  
4 subsection may also include other just and reasonable terms and  
5 conditions. In addition, an electric utility, an alternative  
6 retail electric supplier or electric utility other than the  
7 electric utility in whose service area the customer is located,  
8 and a customer served by such alternative retail electric  
9 supplier or other electric utility, may enter into an agreement  
10 pursuant to which the alternative retail electric supplier or  
11 other electric utility pays the charges specified in Section  
12 16-108, or other customer-related charges, including taxes and  
13 fees, in lieu of such charges being recovered by the electric  
14 utility directly from the customer.

15 (c) An electric utility with more than 100,000 customers  
16 shall file a tariff pursuant to Article IX of this Act that  
17 provides alternative retail electric suppliers, and electric  
18 utilities other than the electric utility in whose service area  
19 the retail customers are located, with the option to have the  
20 electric utility purchase their receivables for power and  
21 energy service provided to residential retail customers and  
22 non-residential retail customers with a non-coincident peak  
23 demand of less than 400 kilowatts. An electric utility with  
24 more than 100,000 customers, however, shall not purchase any  
25 receivable priced at a higher price than is obtained for  
26 consumers through the Illinois Power Agency procurement

1 process under Section 16-111.5. Only those amounts less than or  
2 equal to the price obtained for consumers through that  
3 procurement process shall be purchased by an electric utility  
4 with more than 100,000 customers. Receivables for power and  
5 energy service of alternative retail electric suppliers or  
6 electric utilities other than the electric utility in whose  
7 service area the retail customers are located shall be  
8 purchased by the electric utility at a just and reasonable  
9 discount rate to be reviewed and approved by the Commission  
10 after notice and hearing. The discount rate shall be based on  
11 the electric utility's historical bad debt and any reasonable  
12 start-up costs and administrative costs associated with the  
13 electric utility's purchase of receivables. The discounted  
14 rate for purchase of receivables shall be included in the  
15 tariff filed pursuant to this subsection (c). The discount rate  
16 filed pursuant to this subsection (c) shall be subject to  
17 periodic Commission review. The electric utility retains the  
18 right to impose the same terms on retail customers with respect  
19 to credit and collection, including requests for deposits, and  
20 retain the electric utility's right to disconnect the retail  
21 customers, if it does not receive payment for its tariffed  
22 services or purchased receivables, in the same manner that it  
23 would be permitted to if the retail customers purchased power  
24 and energy from the electric utility. The tariff filed pursuant  
25 to this subsection (c) shall permit the electric utility to  
26 recover from retail customers any uncollected receivables that

1 may arise as a result of the purchase of receivables under this  
2 subsection (c) (however, the uncollected receivables shall not  
3 exceed the price obtained for consumers through the Illinois  
4 Power Agency procurement process under Section 16-111.5), may  
5 also include other just and reasonable terms and conditions,  
6 and shall provide for the prudently incurred costs associated  
7 with the provision of this service pursuant to this subsection  
8 (c). Nothing in this subsection (c) permits the double recovery  
9 of bad debt expenses from customers.

10 (d) An electric utility with more than 100,000 customers  
11 shall file a tariff pursuant to Article IX of this Act that  
12 would provide alternative retail electric suppliers or  
13 electric utilities other than the electric utility in whose  
14 service area retail customers are located with the option to  
15 have the electric utility produce and provide single bills to  
16 the retail customers for both the electric power and energy  
17 service provided by the alternative retail electric supplier or  
18 other electric utility and the delivery services provided by  
19 the electric utility to the customers. The tariffs filed  
20 pursuant to this subsection shall require the electric utility  
21 to collect and remit customer payments for electric power and  
22 energy service provided by alternative retail electric  
23 suppliers or electric utilities other than the electric utility  
24 in whose service area retail customers are located. The tariff  
25 filed pursuant to this subsection shall require the electric  
26 utility to include on each bill to retail customers an

1 identification of the alternative retail electric supplier or  
2 other electric utility that elects the billing option. The  
3 tariff filed pursuant to this subsection (d) may also include  
4 other just and reasonable terms and conditions and shall  
5 provide for the recovery of prudently incurred costs associated  
6 with the provision of service pursuant to this subsection (d).  
7 The costs associated with the provision of service pursuant to  
8 this Section shall be subject to periodic Commission review.

9 (e) An electric utility with more than 100,000 customers in  
10 this State shall file a tariff pursuant to Article IX of this  
11 Act that provides alternative retail electric suppliers, and  
12 electric utilities other than the electric utility in whose  
13 service area the retail customers are located, with the option  
14 to have the electric utility purchase 2 billing cycles worth of  
15 uncollectible receivables for power and energy service  
16 provided to residential retail customers and to  
17 non-residential retail customers with a non-coincident peak  
18 demand of less than 400 kilowatts upon returning that customer  
19 to that electric utility for delivery and energy service after  
20 that alternative retail electric supplier, or an electric  
21 utility other than the electric utility in whose service area  
22 the retail customer is located, has made reasonable collection  
23 efforts on that account. However, the uncollected receivable  
24 shall not exceed the price obtained for consumers through the  
25 procurement process under Section 16-111.5. Uncollectible  
26 receivables for power and energy service of alternative retail

1 electric suppliers, or electric utilities other than the  
2 electric utility in whose service area the retail customers are  
3 located, shall be purchased by the electric utility at a just  
4 and reasonable discount rate to be reviewed and approved by the  
5 Commission, after notice and hearing. The discount rate shall  
6 be based on the electric utility's historical bad debt for  
7 receivables that are outstanding for a similar length of time  
8 and any reasonable start-up costs and administrative costs  
9 associated with the electric utility's purchase of  
10 receivables. The discounted rate for purchase of uncollectible  
11 receivables shall be included in the tariff filed pursuant to  
12 this subsection (e). The electric utility retains the right to  
13 impose the same terms on these retail customers with respect to  
14 credit and collection, including requests for deposits, and  
15 retains the right to disconnect these retail customers, if it  
16 does not receive payment for its tariffed services or purchased  
17 receivables, in the same manner that it would be permitted to  
18 if the retail customers had purchased power and energy from the  
19 electric utility. The tariff filed pursuant to this subsection  
20 (e) shall permit the electric utility to recover from retail  
21 customers any uncollectable receivables that may arise as a  
22 result of the purchase of uncollectible receivables under this  
23 subsection (e) (however, the uncollectible receivable shall  
24 not exceed the price obtained for consumers through the  
25 Illinois Power Agency procurement process under Section  
26 16-111.5), may also include other just and reasonable terms and

1 conditions, and shall provide for the prudently incurred costs  
2 associated with the provision of this service pursuant to this  
3 subsection (e). Nothing in this subsection (e) permits the  
4 double recovery of utility bad debt expenses from customers.  
5 The electric utility may file a joint tariff for this  
6 subsection (e) and subsection (c) of this Section.  
7 (Source: P.A. 95-700, eff. 11-9-07.)